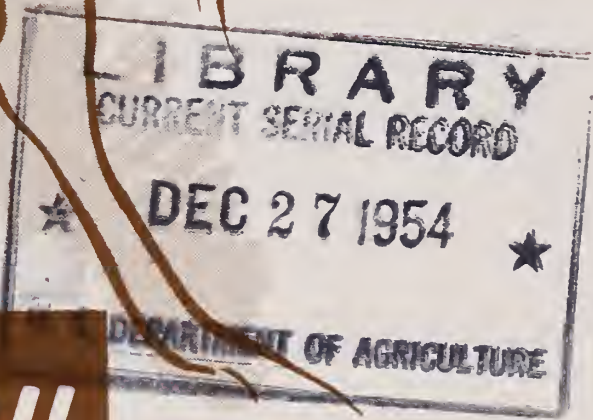


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FARMERS HOME ADMINISTRATION x

- PRODUCTION and SUBSISTENCE LOANS
- FARM OWNERSHIP LOANS
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- EMERGENCY LOANS
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- GENERAL INFORMATION

UNITED STATES DEPARTMENT OF AGRICULTURE

Farmers Home Administration

Washington, D. C.

PA-255

Facts About The

FARMERS HOME ADMINISTRATION

The Farmers Home Administration, an agency in the U. S. Department of Agriculture, serves eligible farm operators with loans and required technical help on farming problems. Credit services include:

Production and Subsistence Loans

Production and subsistence loans are used primarily to help farmers make better use of land and labor resources through farming adjustments and improved practices; for purchase of equipment, feed, seed, fertilizer, livestock, and for other farm needs; for family subsistence. Maximum initial loan is \$7,000, total outstanding operating loan indebtedness limited to \$10,000 for any one borrower. Loans to be repaid in 1 to 7 years. Veterans have preference.

Farm Ownership Loans

To buy or develop efficient family-type farms; enlarge small farms; and help owners of family-type farms construct and repair farm dwellings and other essential farm buildings. Loans are made from private

capital backed by Government-insured mortgages or from appropriated funds, amortized for periods up to 40 years and can be repaid in less time through larger payments in good years. Insured loans are limited to 90 percent of the fair and reasonable value of the farm. Veterans have preference.

Soil and Water Conservation Loans

To individuals and groups of farmers to carry out measures for soil conservation; water development, conservation, and use; and drainage. Loans are made from funds advanced by private lenders and insured by the Government or from appropriated funds. Maximum repayment period is 20 years for individuals, 40 years for associations. Individuals can borrow up to \$25,000, associations up to \$250,000. Applications from veterans receive preference in processing.

Emergency Loans

To farmers in designated areas where an emergency has caused a need for agricultural credit not available from other sources. Loans are made to enable farmers to continue normal operations. Credit is extended for varying periods as necessary. Loans cannot be made to reimburse farmers directly or indirectly for losses caused by the emergency nor to refinance existing indebtedness.

Special Livestock Loans

To help established producers and feeders (except commercial feed lot operators) of cattle, sheep, and goats maintain their normal livestock operations. Loans are made

for purchase and production of feed and other operating expenses and are repayable in 1 to 3 years. Loans are not made to pay existing debts.

GENERAL INFORMATION

With operating, farm ownership, and some types of soil and water conservation loans, borrowers receive the assistance of the agency's county personnel in preparing farm and home operating plans, in keeping farm records, and obtaining advice on farm problems. Loans and services are available to farmers only when they cannot get the credit they need on reasonable terms from other lenders.

All loans are applied for at local offices of the Farmers Home Administration, generally located at the county-seat towns. A county committee of three people, at least two of them farmers, determines applicants' eligibility, certifies as to value of farms to be bought, and reviews borrowers' progress.

Full particulars on loans and services can be obtained from local county Farmers Home Administration supervisors.